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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
-----X
SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff, Adv.Pro.No. 08-01789 (BRL)

v.

BERNARD L. MADOFF INVESTMENT SIPA Liquidation
SECURITIES, LLC,

Defendant. (Substantively Consolidated)

-----X
In re

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

Debtor.

-----X

OBJECTION TO TRUSTEE'S DETERMINATION OF CLAIM

Shirley Schustack Conrad, by her attorneys, Rosen & Associates, P.C., hereby objects to the Notice of Trustee's Determination of Claim dated October 19, 2009 ("**Determination Letter**"), attached hereto as Exhibit "A."

BACKGROUND

1. Shirley Schustack Conrad is a "customer," as

defined by section 78111 of the Securities Investor Protection Act ("**SIPA**"), of Bernard L. Madoff Investment Securities, LLC ("**BLMIS**").

2. Ms. Conrad's final BLIMS statement, dated November 30, 2008, states that she owns securities with a market value of \$1,025,287.88 (the "**Final Statement**").

3. On December 11, 2008, the above-captioned liquidation proceeding was commenced against BLIMS, pursuant to SIPA. See Order, Securities and Exchange Commission v. Madoff, No. 08-10791 (S.D.N.Y. Dec. 15, 2008) (ordering relief under SIPA and transferring proceeding to the United States Bankruptcy Court for the Southern District of New York) [Docket No. 4]. Irving Picard was appointed Trustee (the "**Trustee**"), charged with overseeing the liquidation of BLMIS and processing customer claims for money pursuant to SIPA. Id.; 15 U.S.C. §78fff-1(a).

4. On December 23, 2008, this Court issued an Order directing the Trustee to disseminate notice and claim forms to BLIMS customers and setting forth claim-filing deadlines. See Order [Docket No. 12]. Upon information and belief, the Trustee disseminated notice and claim forms to BLIMS's customers in accordance with this Court's Order. The December 23, 2008 Order further provided that, to the extent the Trustee disagrees with the amount set forth on a customer

claim form, the Trustee "shall notify such claimant by mail of his determination that the claim is disallowed, in whole or in part, and the reason therefor" See Order at 6 [Docket No. 1] (emphasis added).

5. On or about February 2, 2009, Ms. Conrad submitted a customer claim form to Securities Investor Protection Corporation ("**SIPC**") setting forth her claim in the amount of \$1,025,287.88. See Conrad Customer Claim for Account No. 1-ZA057 ("**Conrad Customer Claim**") attached hereto as Exhibit "B."

6. Ms. Conrad submitted the Final Statement with the Conrad Customer Claim. See Conrad Customer Claim, Exhibit B. On October 19, 2009, the Trustee sent Ms. Conrad the Determination Letter denying Ms. Conrad's claim. See Determination Letter, Exhibit A.

7. Ms. Conrad hereby objects to the Determination Letter for the reasons described below.

GROUND'S FOR OBJECTION

8. First Objection. The Determination Letter fails to comply with this Court's December 23, 2008 Order that directs the Trustee to satisfy customer claims and deliver securities in accordance "with the Debtor's books and records." Dec. 23, 2008 Order at 5 [Docket No. 12]. The Final Statement which as

mentioned above was included by Ms. Conrad, is the best evidence of the amount owed based on the Debtor's books and records. Accordingly, the claim should be allowed in the full amount of \$1,025,287.88.

9. Second Objection. The Trustee has set forth no legal basis for disallowing the Conrad Customer Claim in full as filed. The only explanations set forth in the Determination Letter are that (1) "[n]o securities were ever purchased for your account," and (2) the "claim is allowed for ... the amount of money you deposited with BLMIS for the purchase of securities, less subsequent withdrawals, as outlined in Table 1." Determination Letter at 1, Exhibit A. Neither of these purported grounds for disallowance have any statutory or other legal basis. Moreover, the Determination Letter:

(a) does not clearly provide "the reason" for the disallowance, as required by this Court's December 23, 2008 Order;

(b) is inadequate to rebut the prima facie validity of the Conrad Customer Claim as provided in 11 U.S.C. § 502(a) and Bankruptcy Rule 3001(f); and

(c) violates general principles of applicable law that require that objections to a proof of claim set forth, at a minimum, the relevant facts and legal theories upon which

the objection is based. As stated by the Bankruptcy Court for the Southern District of New York, "[t]he best practice is to denominate an objection to a claim as just that. The body of the objection should identify the claim. It should also, at a minimum, allege those facts necessary to support the objection . . . and provide a description of the theories on which it is based. In short, proofs of claim have been held analogous to complaints initiating civil actions; an objection to a claim should therefore meet the standards of an answer. It should make clear which facts are disputed; it should allege facts necessary to affirmative defenses; and it should describe the theoretical bases of those defenses.'" In re Enron Corp., No. 01-16034, 2003 Bankr. LEXIS 2261, at *25 (Bankr. S.D.N.Y. Jan. 13, 2003) (citing 9 Collier on Bankruptcy ¶ 3007.01[3] (15th ed.) (footnotes omitted)).

10. Third Objection. 15 U.S.C. § 78111(11) provides that a customer's claim shall be allowed in the amount of the customer's "net equity." 15 U.S.C. § 78fff-2(b). Upon information and belief, the Trustee objects to the Conrad Customer Claim on the ground that "net equity" should be determined by principal contributed to the account less any withdrawals, without regard to any gains reflected in the Final Statement or prior BLIMS statements. See Determination Letter

Table 1. See also Another View: Unwinding Madoff Fraud Fairly, Deal Blog. NY times.com (May 6, 2009). This is incorrect for the following reasons:

(a) the Trustee's proposed formulation has no support in the language of the statute or interpretive case law and, in fact, adds words and concepts to the statute that do not exist.

(b) SIPA's legislative history emphasizes Congress's intention that the statute protect customer expectations by ensuring that customers of retail brokerage firms can rely on their account statements. The BLIMS statements received by Ms. Conrad stated that he owned a list of blue chip securities. It makes no difference whether the securities were purchased.

A customer generally expects to receive *what he believes* is in his account at the time the stockbroker ceases business. But because securities may have been lost, improperly hypothecated, misappropriated, *never purchased*, or even stolen, it is not always possible to provide to customers that which they expect to receive, that is, securities which they maintained in their brokerage account By seeking to make customer accounts whole and returning them to customers in the form they existed on the filing date, the amendments . . . would satisfy customers' legitimate expectations

S.Rep.No. 95-763, at 2 (1978) (emphasis added). While there may be a basis to disallow customer claims for wholly fictitious securities of nonexisting entities, here the securities set forth on Ms. Conrad's Final Statement and prior statements were those of actual companies listed on the stock exchange.

(c) Ms. Conrad deposited funds in BLIMS with the expectation that the amount would grow, her account statements showed such growth, and the balance on her Final Statement reflects the benefit of her bargain. The Trustee's formula is an improper and wholly inadequate measure of loss. See Yiscons v. Lehman Brothers, Inc., 244 Fed. Appx. 708, 713-14 (6th Cir. 2007) (court applied expectancy measure of damages to claim against successor in Ponzi scheme case, and rejected money in/money out theory).

(d) the Trustee's Determination Letter is contrary to SIPC's own policies and practices, as reflected in the sworn testimony of Stephen Harbeck, SIPC's President and CEO, and its actions in similar liquidation proceedings. For example, in the New Times SIPA liquidation, in the context of discussing claims filing deadlines, Harbeck acknowledged that SIPC would replace securities listed on customer account statements, even if the securities had never been purchased:

Harbeck: [I]f you file within sixty days, you'll get the securities, without question. Whether -- if they triple in value, you'll get the securities Even if they're not there.

Court: Even if they're not there.

Harbeck: Correct.

Court: In other words, if the money was diverted, converted -

Harbeck: And the securities were never purchased.

Court. Okay.

Harbeck: And if those positions triple, we will gladly give the people their securities positions.

Transcript at 37-39, In re New Times Securities Services, Inc., No. 00-8178 (Bankr. E.D.N.Y. July 28, 2000), attached hereto as Exhibit "C." The Second Circuit's discussion of SIPC's claims processing in New Times further indicates that, with respect to customers who thought they were invested in listed securities, SIPC paid customer claims based on the customers' final account statements, even where the securities had never been purchased:

Meanwhile, investors who were misled. . . to believe that they were investing in mutual funds that in reality existed were treated much more favorably. Although they were not actually invested in those real funds -- because Goren never executed the transactions - - the

information that these claimants received on their account statements mirrored what would have happened had the given transaction been executed. As a result, the Trustee deemed those customers' claims to be "securities claims" eligible to receive up to \$500,000 in SIPC advances. The Trustee indicates that this disparate treatment was justified because he could purchase real, existing securities to satisfy such securities claims. Furthermore, the Trustee notes that, if they were checking on their mutual funds, the "securities claimants," . . . could have confirmed the existence of those funds and tracked the funds' performance against Goren's account statements.

In re New Times Sec. Services, Inc., 371 F.3d 68, 74 (2d Cir. 2004). See also Brief of Appellant SIPC in In re New Times Sec. Services, Inc., at 23-24 (under SIPC "reasonable and legitimate claimant expectations on the filing date are controlling even where inconsistent with transactional reality" such as when the customer receives a confirmation reflecting a purchase, "even where the purchase never actually occurred and the debtor instead converted the cash deposited by the claimant to fund that purchase."). Ms. Conrad is situated no differently from the "securities claimants" discussed by the Court of Appeals for the Second Circuit. Accordingly, her claim should be recognized in full.

11. In the event that this Court determines that

claimed gains on deposited funds should not be allowed, then in the alternative, Ms. Conrad is entitled to recover interest on such deposited amounts. Such interest is required as a matter of state law, and the United States Supreme Court has determined that in bankruptcy cases, creditor claims, including the right to interest, are determined by state law. See Travelers Cas. & Sur. Co. of Am. v. PG&E, 549 U.S. 443, 450-51, 127 S.Ct. 1199, 167 L.Ed.2d 178 (2007) ("[W]e have long recognized that the 'basic federal rule' in bankruptcy is that state law governs the substance of claims, Congress having generally left the determination of property rights in the assets of a bankrupt's estate to state law.").

(a) Under New York law, which is applicable here, funds deposited with BLMIS under these circumstances are entitled to interest. See, e.g., N.Y.C.P.L.R. § 5004; N.Y. Gen. Oblig. § 5-501, et seq. Accordingly, the Conrad Customer Claim should be recalculated by adding interest to all funds deposited by Ms. Conrad.

(b) Under New York law, which is applicable here, Ms. Conrad is entitled to any returns BLMIS earned on the deposited funds under principles of unjust enrichment. Accordingly, the Conrad Customer Claim should be recalculated by adding the amounts earned by BLMIS on Ms. Conrad's deposits.

See, e.g., Steinberg v. Sherman, No. 07-1001, 2008 U.S. Dist. LEXIS 35786, at *14-15 (S.D.N.Y. May 2, 2008) ("Causes of action such as ... conversion and unjust enrichment qualify for the recovery of prejudgment interest."); Eighteen Holding Corp. v. Drizin, 701 N.Y.S.2d 427, 428 (1st Dep't 2000) (awarding prejudgment interest on claims for unjust enrichment and conversion).

12. Fourth Objection. The Trustee's unilateral reduction of the Conrad Customer Claim by the amount of any prior gains reflected on the Final Statement, or prior statements, avoids such gains without alleging any grounds therefor or demonstrating that such gains are avoidable under the Bankruptcy Code's avoidance provisions. As such, any such disallowance is improper and unjustified, and the Determination letter should be stricken. Fed.R.Bankr.P. 7001(1); Fed.R.Bankr.P. 7008.

13. Fifth Objection. The Trustee's determination assumes that BLIMS never earned funds and, therefore, all gains reported to customers were "fictitious." This assumption is contrary to fact. There is significant evidence that, at some time, BLIMS was at least in part a legitimate business and, therefore, all or a portion of the gains were not fictitious. The burden is on the Trustee to show that BLIMS never earned any

amounts to support customer gains and, if at some point it did earn funds, the dates when it ceased to do so. The Trustee is required to state and prove when the Ponzi scheme began.

14. Sixth Objection. Ms. Conrad was required to pay significant income taxes on distributions that the Trustee has alleged are fictitious. The Trustee has justified his proposed method of calculating claims as fair and reasonable because fictitious gains should not compete dollar for dollar with claims for funds actually deposited by customers, and his proposed method equalizes the treatment of all customers. This justification is not correct insofar as customers did not have the use of reported, but fictitious, gains because of required income tax payments. Even assuming arguendo the Trustee's method is correct, the Conrad Customer Claim should be adjusted by adding all amounts she actually paid as income taxes on allegedly fictitious gains to equalize his treatment with that of other customers. See SEC v. Byers, 2009 U.S. Dist. LEXIS 63741, at *11-12 (S.D.N.Y. 2009) (in equitable distribution proceeding, court allowed claims for reinvestment of fictitious profits to equitably treat reinvesting customers as compared with customers receiving distributions).

RELIEF REQUESTED

15. For the reasons stated herein, the Conrad

Customer Claim should be allowed in its entirety.

16. The Trustee's determination amounts to an improper disallowance of a claim that has prima facie validity. See 11 U.S.C. § 502(a). The Trustee has offered no factual or legal basis for his Determination. The Trustee's Determination Letter, and the objections contained therein, should be stricken, or alternatively, the Trustee should describe his position in detail including all relevant facts, legal theories, and authorities. Upon the filing of such a statement, this matter will be a contested proceeding under Bankruptcy Rule 9014, and Ms. Conrad will file a response.

17. Ms. Conrad requests such other relief as may be just and equitable.

CONCLUSION

18. Ms. Conrad reserves the right to revise, supplement, or amend this Objection, and any failure to object on a particular ground or grounds shall not be construed as a waiver of Ms. Conrad's right to object on any additional grounds.

19. Ms. Conrad reserves all rights set forth in Bankruptcy Rule 9014, including, without limitation, rights of discovery.

20. Ms. Conrad reserves all objections as to the

competence, relevance, materiality, privilege, or admissibility of evidence in any subsequent proceeding or trial of this or any other action for any purpose whatsoever.

21. Ms. Conrad incorporates by reference all reservations of rights set forth in the Conrad Customer Claim.

Dated: November 17, 2009
New York, New York

ROSEN & ASSOCIATES, P.C.
Attorneys for Shirley
Schustack Conrad

By: /s/ Sanford P. Rosen
Sanford P. Rosen

747 Third Avenue
New York, NY 10017-2803
(212) 223-1100

Exhibit "A"

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008'

NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM

October 19, 2009

Shirley Schustack Conrad
28 East 10th Street Apt 10B
New York, NY 10003

Dear Ms. Conrad:

PLEASE READ THIS NOTICE CAREFULLY.

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1ZA057 designated as Claim Number 005592:

Your claim for securities is **DENIED**. No securities were ever purchased for your account.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$1,457,454.87), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of securities (total of \$1,000,000.00). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

¹ Section 78lll(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 78eee(a)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 78lll(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$457,454.87) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

PLEASE TAKE NOTICE: If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching copies of any documents in support of your position, with the United States Bankruptcy Court and the Trustee within **THIRTY DAYS** after October 19, 2009, the date on which the Trustee mailed this notice.

PLEASE TAKE FURTHER NOTICE: If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

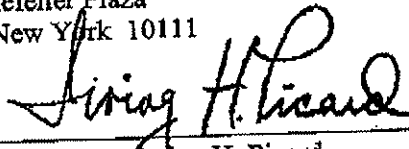
PLEASE TAKE FURTHER NOTICE: If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

PLEASE TAKE FURTHER NOTICE: You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10004

and

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111



Irving H. Picard

Trustee for the Liquidation of the Business of
Bernard L. Madoff Investment Securities LLC

DATE	TRANSACTION DESCRIPTION	AMOUNT
		\$600,000.00
12/1/1992	CHECK	\$50,000.00
4/25/2003	CHECK	\$50,000.00
5/5/2003	CHECK	\$50,000.00
10/20/2005	CHECK	\$50,000.00
10/27/2005	CHECK	\$50,000.00
1/24/2007	CHECK	\$50,000.00
1/29/2007	CHECK	\$50,000.00
1/15/2008	CHECK	\$50,000.00
2/14/2008	CHECK	\$1,000,000.00
Total Deposits:		
DATE	TRANSACTION DESCRIPTION	AMOUNT
		(\$34,414.09)
4/8/1993	CHECK	(\$23,818.52)
7/13/1993	CHECK	(\$11,776.76)
10/13/1993	CHECK	(\$28,341.68)
1/14/1994	CHECK	(\$25,970.32)
4/13/1994	CHECK	(\$21,464.59)
7/14/1994	CHECK	(\$24,470.69)
10/13/1994	CHECK	(\$15,909.74)
1/13/1995	CHECK	(\$24,424.06)
4/13/1995	CHECK	(\$30,602.98)
7/14/1995	CHECK	(\$19,798.69)
10/16/1995	CHECK	(\$25,577.71)
1/12/1996	CHECK	(\$25,202.68)
4/12/1996	CHECK	(\$23,075.39)
7/12/1996	CHECK	(\$26,874.39)
10/11/1996	CHECK	(\$27,926.84)
1/13/1997	CHECK	(\$33,258.88)
4/10/1997	CHECK	(\$40,739.82)
7/11/1997	CHECK	(\$20,383.00)
10/10/1997	CHECK	(\$21,864.62)
1/13/1998	CHECK	(\$31,062.52)
4/8/1998	CHECK	(\$31,103.06)
7/9/1998	CHECK	(\$16,710.56)
10/9/1998	CHECK	(\$32,704.91)
1/13/1999	CHECK	(\$29,023.66)
4/13/1999	CHECK	(\$43,231.11)
7/8/1999	CHECK	

		(\$19,365.60)
10/8/1999	CHECK	(\$23,387.22)
1/6/2000	CHECK	(\$32,105.04)
4/7/2000	CHECK	(\$20,147.84)
7/7/2000	CHECK	(\$13,354.19)
10/11/2000	CHECK	(\$12,305.95)
1/10/2001	CHECK	(\$28,564.55)
4/6/2001	CHECK	(\$19,519.01)
7/9/2001	CHECK	(\$13,670.83)
10/9/2001	CHECK	(\$21,063.99)
1/11/2002	CHECK	(\$7,317.43)
4/10/2002	CHECK	(\$26,039.94)
7/8/2002	CHECK	(\$33,376.69)
10/7/2002	CHECK	(\$11,776.60)
1/10/2003	CHECK	(\$12,573.57)
4/9/2003	CHECK	(\$20,075.82)
7/8/2003	CHECK	(\$24,029.60)
10/9/2003	CHECK	(\$9,941.98)
1/8/2004	CHECK	(\$14,407.29)
4/8/2004	CHECK	(\$22,753.36)
7/7/2004	CHECK	(\$18,931.27)
10/7/2004	CHECK	(\$14,542.82)
1/7/2005	CHECK	(\$14,436.02)
4/7/2005	CHECK	(\$15,327.28)
7/7/2005	CHECK	(\$13,984.71)
10/7/2005	CHECK	(\$22,848.32)
1/9/2006	CHECK	(\$19,858.95)
4/7/2006	CHECK	(\$22,049.92)
7/10/2006	CHECK	(\$38,177.58)
10/6/2006	CHECK	(\$20,961.27)
1/8/2007	CHECK	(\$19,949.51)
4/4/2007	CHECK	(\$26,868.95)
7/6/2007	CHECK	(\$28,359.18)
10/4/2007	CHECK	(\$23,550.28)
1/8/2008	CHECK	(\$11,516.96)
4/7/2008	CHECK	(\$55,165.23)
7/7/2008	CHECK	(\$15,418.85)
10/6/2008	CHECK	(\$1,457,454.87)
Total Withdrawals:		
Total deposits less withdrawals:		(\$457,454.87)

Exhibit "B"

CUSTOMER CLAIM

Claim Number _____

Date Received _____

BERNARD L. MADOFF INVESTMENT SECURITIES LLC

In Liquidation

DECEMBER 11, 2008

Irving H. Picard, Esq.
Trustee for Bernard L. Madoff Investment Securities LLC
Claims Processing Center
2100 McKinney Ave., Suite 800
Dallas, TX 75201

Provide your office and home telephone no.

OFFICE: _____

HOME: 212-677-2440

Taxpayer I.D. Number (Social Security No.)

099-12-8736



Account Number: 1ZA057
SHIRLEY SCHUSTACK CONRAD
28 EAST 10TH STREET APT 10B
NEW YORK, NY 10003

(If incorrect, please change)

NOTE: BEFORE COMPLETING THIS CLAIM FORM, BE SURE TO READ CAREFULLY THE ACCOMPANYING INSTRUCTION SHEET. A SEPARATE CLAIM FORM SHOULD BE FILED FOR EACH ACCOUNT AND, TO RECEIVE THE FULL PROTECTION AFFORDED UNDER SIPA, ALL CUSTOMER CLAIMS MUST BE RECEIVED BY THE TRUSTEE ON OR BEFORE March 4, 2009. CLAIMS RECEIVED AFTER THAT DATE, BUT ON OR BEFORE July 2, 2009, WILL BE SUBJECT TO DELAYED PROCESSING AND TO BEING SATISFIED ON TERMS LESS FAVORABLE TO THE CLAIMANT. PLEASE SEND YOUR CLAIM FORM BY CERTIFIED MAIL - RETURN RECEIPT REQUESTED.

1. Claim for money balances as of **December 11, 2008**:

a. The Broker owes me a Credit (Cr.) Balance of \$ _____

b. I owe the Broker a Debit (Dr.) Balance of \$ _____

- c. If you wish to repay the Debit Balance,
please insert the amount you wish to repay and
attach a check payable to "Irving H. Picard, Esq.,
Trustee for Bernard L. Madoff Investment Securities LLC."

If you wish to make a payment, it must be enclosed
with this claim form. \$ _____

- d. If balance is zero, insert "None." _____

2. Claim for securities as of December 11, 2008:

PLEASE DO NOT CLAIM ANY SECURITIES YOU HAVE IN YOUR POSSESSION.

	YES	NO
a. The Broker owes me securities	_____	_____
b. I owe the Broker securities	_____	_____
c. If yes to either, please list below:		

Date of Transaction (trade date)	Name of Security	Number of Shares or Face Amount of Bonds	
		The Broker Owes Me (Long)	I Owe the Broker (Short)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Proper documentation can speed the review, allowance and satisfaction of your claim and shorten the time required to deliver your securities and cash to you. Please enclose, if possible, copies of your last account statement and purchase or sale confirmations and checks which relate to the securities or cash you claim, and any other documentation, such as correspondence, which you believe will be of assistance in processing your claim. In particular, you should provide all documentation (such as cancelled checks, receipts from the Debtor, proof of wire transfers, etc.) of your deposits of cash or securities with the Debtor from as far back as you have documentation. You should also provide all documentation or

Information regarding any withdrawals you have ever made or payments received from the Debtor.

Please explain any differences between the securities or cash claimed and the cash balance and securities positions on your last account statement. If, at any time, you complained in writing about the handling of your account to any person or entity or regulatory authority, and the complaint relates to the cash and/or securities that you are now seeking, please be sure to provide with your claim copies of the complaint and all related correspondence, as well as copies of any replies that you received.

PLEASE CHECK THE APPROPRIATE ANSWER FOR ITEMS 3 THROUGH 9.

NOTE: IF "YES" IS MARKED ON ANY ITEM, PROVIDE A DETAILED EXPLANATION ON A SIGNED ATTACHMENT. IF SUFFICIENT DETAILS ARE NOT PROVIDED, THIS CLAIM FORM WILL BE RETURNED FOR YOUR COMPLETION.

	<u>YES</u>	<u>NO</u>
3. Has there been any change in your account since December 11, 2008? If so, please explain.	_____	_____
4. Are you or were you a director, officer, partner, shareholder, lender to or capital contributor of the broker?	_____	_____
5. Are or were you a person who, directly or indirectly and through agreement or otherwise, exercised or had the power to exercise a controlling influence over the management or policies of the broker?	_____	_____
6. Are you related to, or do you have any business venture with, any of the persons specified in "4" above, or any employee or other person associated in any way with the broker? If so, give name(s)	_____	_____
7. Is this claim being filed by or on behalf of a broker or dealer or a bank? If so, provide documentation with respect to each public customer on whose behalf you are claiming.	_____	_____
8. Have you ever given any discretionary authority to any person to execute securities transactions with or through the broker on your behalf? Give names, addresses and phone numbers.	_____	_____

9. Have you or any member of your family ever filed a claim under the Securities Investor Protection Act of 1970? if so, give name of that broker. _____

Please list the full name and address of anyone assisting you in the preparation of this claim form: _____

If you cannot compute the amount of your claim, you may file an estimated claim. In that case, please indicate your claim is an estimated claim.

IT IS A VIOLATION OF FEDERAL LAW TO FILE A FRAUDULENT CLAIM. CONVICTION CAN RESULT IN A FINE OF NOT MORE THAN \$50,000 OR IMPRISONMENT FOR NOT MORE THAN FIVE YEARS OR BOTH.

THE FOREGOING CLAIM IS TRUE AND ACCURATE TO THE BEST OF MY INFORMATION AND BELIEF.

Date 2/2/2009 Signature Shirley Schustack Conrad
Date _____ Signature _____

(If ownership of the account is shared, all must sign above. Give each owner's name, address, phone number, and extent of ownership on a signed separate sheet. If other than a personal account, e.g., corporate, trustee, custodian, etc., also state your capacity and authority. Please supply the trust agreement or other proof of authority.)

This customer claim form must be completed and mailed promptly, together with supporting documentation, etc. to:

Irving H. Picard, Esq.,
Trustee for Bernard L. Madoff Investment Securities LLC
Claims Processing Center
2100 McKinney Ave., Suite 800
Dallas, TX 75201

Affiliated with
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BERNARD L. MADOFF
INVESTMENT SECURITIES LLC
New York □ London

SHIRLEY SCHUSTACK CONRAD

28 EAST 10TH STREET APT 108
NEW YORK NY 10003

11/30/08
1-7A057-3-0
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DATE	ACCOUNT	DESCRIPTION	AMOUNT	CURR	DATE	ACCOUNT	DESCRIPTION	AMOUNT	CURR
11/12		BALANCE FORWARD	62,702.30		11/12				
11/12	5067	WAL-MART STORES INC	34,902		11/12	5067	WAL-MART STORES INC	34,902	
11/12	5549	INTERNATIONAL BUSINESS MACHS	55,830		11/12	5549	INTERNATIONAL BUSINESS MACHS	55,830	
11/12	5549	INTERNATIONAL BUSINESS MACHS	87,270		11/12	5549	INTERNATIONAL BUSINESS MACHS	87,270	
11/12	7072	INTEL CORP	14,530		11/12	7072	INTEL CORP	14,530	
11/12	14221	JOHNSON & JOHNSON	59,580		11/12	14221	JOHNSON & JOHNSON	59,580	
11/12	18546	J.P. MORGAN CHASE & CO	38,530		11/12	18546	J.P. MORGAN CHASE & CO	38,530	
11/12	28702	EBAY CORP	28,183.70		11/12	28702	EBAY CORP	28,183.70	
11/12	28702	EBAY CORP	28,183.70		11/12	28702	EBAY CORP	28,183.70	
11/12	31524	MERCK & CO	28,550		11/12	31524	MERCK & CO	28,550	
11/12	35950	MICROSOFT CORP	21,810		11/12	35950	MICROSOFT CORP	21,810	
11/12	35950	MICROSOFT CORP	21,810		11/12	35950	MICROSOFT CORP	21,810	
11/12	53656	APPLE INC	108,780		11/12	53656	APPLE INC	108,780	
11/12	57480	DETER INC	15,940		11/12	57480	DETER INC	15,940	
11/12	62806	PROCTER & GAMBLE CO	64,000		11/12	62806	PROCTER & GAMBLE CO	64,000	
11/12	62308	AMGEN INC	59,150		11/12	62308	AMGEN INC	59,150	
11/12	66132	PHILLIP MORRIS INTERNATIONAL	43,600		11/12	66132	PHILLIP MORRIS INTERNATIONAL	43,600	
11/12	70758	QUALCOMM INC	25,530		11/12	70758	QUALCOMM INC	25,530	
11/12	70960	CITI GROUP INC	12,510		11/12	70960	CITI GROUP INC	12,510	
11/12	1,430		17,945.30		11/12	1,430		17,945.30	

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DATE	ACCOUNT	DESCRIPTION	AMOUNT	DATE	ACCOUNT	DESCRIPTION	AMOUNT
11/12	330	SCHLUMBERGER LTD	49,480	11/30/08	16,341.40		
11/12	792	COMCAST CORP	16,510	11/30/08	13,106.92		
11/12	1922	AT&T INC	12,255.60	11/30/08	20,808.96		
11/12	396	CONGIPHILIPS	52,510	11/30/08	13,748.56		
11/12	264	UNITED PARCEL SVC INC	52,040	11/30/08	26,952.58		
11/12	1908	CISCO SYSTEMS INC	16,750	11/30/08	13,660.86		
11/12	462	U S BANCORP	29,530	11/30/08	43,408.50		
11/12	530	CHEVRON CORP	73,430	11/30/08	54,957.62		
11/12	266	UNITED TECHNOLOGIES INC	19,630	11/30/08	22,775.68		
11/12	2934	GENERAL ELECTRIC CO	30,410	11/30/08	22,270.40		
11/12	748	VERIZON COMMUNICATIONS	337,480	11/30/08			
11/12	66	GOOGLE		11/30/08			
11/12		GOE 2/12/2009		11/30/08			
11/12		FIDELITY SPARTAN		11/30/08			
11/12	6,442	FIDELITY SPARTAN	1	11/30/08	6,442.51		
11/12	18451	U.S. TREASURY MONEY MARKET		11/30/08			
11/12		U.S. TREASURY MONEY MARKET		11/30/08			
11/12		FIDELITY SPARTAN		11/30/08			
11/12		U.S. TREASURY MONEY MARKET		11/30/08			
11/12		CONTINUED ON PAGE 3		11/30/08			

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SECURITY	QUANTITY	UNIT COST	MARKET VALUE	ADJUSTED MARKET VALUE
GOOGLE	66		292.960	
HEWLETT-PACKARD CO	660		35.280	
INTERNATIONAL BUSINESS MACHINES	374		81.868	
J.P. MORGAN CHASE & CO	990		31.660	
JOHNSON & JOHNSON	776		58.584	
MERCK & CO	100		26.420	
MICROSOFT CORP	2,090		20.220	
ORACLE CORPORATION	1,056		16.090	
PERSHING	41		16.700	
PHILIP MORRIS INTERNATIONAL	550		42.150	
PROCTER & GAMBLE CO	392		64.350	
SCHLEISER LTD	200		50.140	
FIDELITY SPARTAN	20,980		1	
U.S. TREASURY MONEY MARKET	20		29.971	
UNITED PARCEL SERVICE INC	204		51.680	
CLASS B	50,000		48.530	
UNITED TECHNOLOGIES CORP	264			

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YEAR-TO-DATE SUMMARY											
GROSS PROCEEDS FROM SALES											

